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FEDERALIZED RACE PREJUDICE

by Frank Chodorov

Judeo-Christian conscience has always been strong for statute sin; people must be made good by law.

The fact that every attempt in this direction has failed in the purpose, that the law has always induced law-breaking rather than virtue -- as witness our prohibition experiment -- cannot down the heritage. Presently, the advocates of legislated goodness are pressing hard for a thunderbolt against race prejudice. President Truman, in particular, wants a Federal Employment Practices Commission to put sense into men's minds, decency into their hearts.

It is to the credit of the composite American intelligence that this proposal is meeting a very chill reception. If the Commission is actually established it will certainly lack the powers at first adumbrated. But an analysis of what Mr. Truman wants, in this connection, is not less timely because he is unlikely to get it.

The proposed law, intended to give redress to those who lose jobs simply because of their minority position, begins by limiting the employer in the choice of his associates; he must not hire only those whom he is pleased to hire.

Why? It is not yet a tenet of American politics that a man cannot be selective in the choice of his social contacts. He may still choose his tennis, bridge or marriage partner. What principle is invoked in legally limiting his business associates?

The principle is implicit: that Society has a stake in capital. The owner cannot claim absolute ownership because it is reasoned that capital is a social product, and the State may therefore intervene in its management. The alleged right of the State, in designating the associates of the capital-owner, rests on the socialistic notion of the collective character of capital. The FEPC proposal, then, is merely another denial of the right of private property, another evidence of how far Marxist notions have permeated our thinking.

Putting theory aside, as a practical matter the free exercise of judgment in the selection of its operatives is essential to the best use of capital, and therefore in the best interest of Society as a whole. When a capital-owner employs a helper he is entrusting capital to the care of the latter. The lowliest member of the crew has power to do

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harm to these instruments of production. Incompetence or dishonesty may cause losses.

Does Society benefit from inefficiency? Does it make allowances for incompetence? On the contrary, it coldly rejects the marginal producer by refusing him its custom. Since Society is thus arbitrary in its market selectivity, it has no right to interfere in the management of production. Enterprise can serve only when it is free.

II

Congeniality is as important in a business organization as is competence. A complement of workers of similar backgrounds or habits will be more productive than one characterized by divergencies. A publisher of Catholic books would find a staff of Protestants or atheists difficult for his purpose. A kosher slaughter house would be in trouble if its crew were unacquainted with or unsympathetic to the ritual. The trustees of a Quaker college would like it to have more than a proportionate number of Quaker students. Selectivity in many cases is a matter of necessity.

These problems of management are by-passed in the urgency to eradicate discrimination on the ground of race or religion. That is the sin. It is a wrong against Society, if not against God, to deny employment to Jews as Jews, to Catholics as Catholics. Why?

Prejudice is an irrationality, perhaps a form of insanity. But, if all irrationality were banished by law, who would insure that the custodians were rational? He who hates his fellow man harbors a canker in his heart, but if that cankerous condition pleases him that is his affair. Society has no power to make him over, no mandate to try it.

The charge is made, however, that in venting his spleen against a given group the employer deprives its members of the right to earn a living. That is silly. If he employs a Jew instead of a Baptist, the latter is hurt; if the selection is reversed, the Jew is hurt. Where one job is at stake, one or the other of two applicants must fail to obtain it. The right to earn a living is impaired by the lack of jobs, not by prejudice, and the FEPC is not concerned with making more jobs. It is merely a venture in compulsory ethics.

This bill, if enacted, will create prejudice where there is none, intensify prejudice where it already exists. Since it would be possible, under this plan, for a discharged employee to haul an employer before the FEPC on the charge of discrimination, the employer who does not now concern himself with such matters would in self-protection be forced to consider the race or religion of the applicant.

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Should the commission "qualify" the discharged employee, the employer would not only have to associate with the unwanted person but would also have to suffer a back-pay fine. All the more reason for the personnel office to be careful.

In order to avoid the wrath of the FEPC, every firm would have to establish a token quota of those generally considered discriminatees, and these would always carry the stigma of a necessary evil. They would be so singled out by fellow workers, with consequent unpleasantness.

Prejudice would also be accentuated by the provision in the proposal regarding advancement. Rivals on the staff would not hesitate to point out that the one receiving preference is of the "unwanted" group, and that he was pushed ahead of them merely as a sop to the law, not because he had earned advancement.

III

As with every law that presumes to interfere with individual habits or preferences, this one would give rise to methods of evasion; the necessity for evasion would intensify the hatred of those whom the plan proposes to help. Employment agencies would become detective services, providing the contraband information. Since one who resigns cannot claim discrimination, there would be resort to nasty ways of forcing resignations. Employers who did not make inquiries as to race and religion when hiring, would certainly have to know about these particulars when firing.

Some of the possible, nay probable, political consequences of the proposed law ought to be considered.

An existing law condones, even demands, discrimination. Under practices following from the Wagner Labor Relations Act, an employer is compelled to give preference to a labor union member.

Suppose an employer "discriminates" in favor of a Jew who is a member of the union, against a Catholic who cannot gain admission. Suppose the latter brings the case before the FEPC, claiming religious discrimination. Will the agency have power to compel the union to extend membership to the Catholic? How would it handle a complaint from white men (or women) who might seek jobs as Pullman porters, now monopolized by Negroes?

The scarcity of jobs in the 1930s was the underlying cause of race riots in Detroit; white workers resented the influx of Negroes. Here the discrimination was practiced by workers, not by employers. How would the FEPC handle this always latent problem? Or, again, if a

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Southern employer were compelled by local prejudice to discharge a Negro employee, how would the FEPC propose to enforce its edict?

Such stinging bees are nestled in a plan that attempts to deal with the social and moral consequences of an economic problem it cannot solve. If the problem of unemployment could be solved, the problem of prejudice would be academic. Philosophers, not politicians, might concern themselves with it. The deepest prejudices of the most narrow-minded employer will give way to his need for help when help is scarce.

But, during a depression, the problem of selection would be made difficult by the anti-discrimination law, and employers might, for fear of reprisals, turn to the FEPC for assistance. They could ask the agency to "qualify" employees in advance. It is not outside the range of possibility that power would thus be thrust on the bureaucrats. The FEPC could find itself in the position of a national employment agency.

IV

Nor should we overlook the campaign potential of this bureau. The Administration would most certainly advertise its anti-discrimination record to win minority group votes, while the opposition would appeal to the unemployed who could with some reason blame their plight on discrimination. Our political campaigns would thus be further impregnated with the stench and bitterness of racial and religious antagonisms.

Furthermore, while the proposed law does not consider discrimination on the grounds of sex, age or fraternal connections, what would prevent pressure groups from demanding that the scope of the FEPC be extended? If an institution employs Masons only, could not the Elks make an issue of it? The "over 40" workers and the unemployed female linotype operators might well see their redress in an amendment and expansion of FEPC.

And, since power is the life-blood of bureaucracy, the FEPC would most assuredly look with favor on the efforts of pressure groups to broaden its sphere of interest.

Thus, inherent in this piece of legislation is a mess of trouble. This is the case simply because it would again attempt the impossible task of making men good by legislative fiat. The only thing to be done with the irrationality of prejudice is to ignore it. Efforts at legal suppression can only inflame this prejudice and give us more government intervention to boot.

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Not Merely Gossip *A Supplement to* Human Events Vol. VII, No. 10

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By Frank C. Hanighen March 8, 1950

GERMANY: The U.S. lost another battle in the cold war during the past week end, but we found precious little recognition of the fact in the metropolitan press. Many papers merely recorded in a dull style the fact that France had made an agreement with local politicians in the Saar for a 50-year pact which would incorporate that German area in the French economy. A few writers conceded that this pact was a thinly-disguised annexation of German territory -- the third-richest coal-producing area in Europe. But most commentators sleepily droned on without any such explanation. The New York Times editorially lectured the German critics of this territorial rape by telling them that they had no right to complain because Hitler had done much worse. But even the Germanophobe Times correspondent, Drew Middleton, reported that the French move was a "gain for Russian policy" in Germany and strengthened German forces which want a deal with Moscow. Such intelligence was tucked away inside the paper, while much front-page space was given to elections in Greece, fulminations by Tito and the edicts of Czechoslovakian Communists. In short, American papers give emphasis to lesser happenings in the cold war, while under-playing, or even ignoring, the developments affecting the real stakes in the European conflict, the heartland of Europe -- Germany.

At the same time, the U.S. proconsul for the heartland, High Commissioner John J. McCloy, virtually stole into town for a consultation with the State Department which any reasoning observer would guess had more to do with politics than ECA funds, the publicized excuse. Reports about his visit ranked in the curious scale of news values with that of a Portuguese diplomat. That the rape of the Saar had something to do with his arrival was not difficult to perceive.

About the same time we received a visit from an American official (on leave from his post in Western Germany). His observations served to confirm many of our own long-distance impressions of what is going on. He said: (1) that the hullabaloo over "Nazi nationalism" is -- hullabaloo; (2) that the nine million expellees were putting an intolerable strain on Western Germany; (3) that the conduct of many of our officials in Germany suggested that they were more interested in pushing Germany into the arms of Russia than in making it a "bastion of democracy"; and finally (4) that there was increasing danger that our policy was turning Germany to look for salvation to the East rather than the West.

Our friend reiterated the observation of many others back from Germany that the American press coverage of Germany is a disgrace. In the Progressive (Madison, Wis.), of February, there is a highly interesting and painstaking report on that country by Morris Rubin, the Editor. The Progressive can hardly be classified as "r'actionary" since it is a supporter of the Fair Deal. Mr. Rubin, after a trip to Germany, remarks: "Few American reporters on the scene seemed to me interested in presenting a balanced report of developments in Germany. Mostly they sit in Frankfort and cover the American administration of our zone, but make little effort to find out how Germans think and feel and what Germany herself is up to. Those who do wander out into the country are usually on the hunt for evidence of a revival of Nazism, which they know will make acceptable copy at home. Often what they have to report about the discovery of a pocket of neo-Fascism in Bavaria or Hesse is true enough as far as it goes, but presents a totally distorted picture because of the complete omission of all mention of hopeful and constructive trends in the same or a nearby community." Rubin adds that some "feel that their editors and publishers don't want anything warm and friendly written about the Germans."

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BRITISH ELECTION LESSON: "Liberal" commentators, with their usual loving concern for the welfare of the Republican Party, are asserting that the British elections prove the soundness of "me-tooism". Since the Tories in the campaign claimed that they could run a Welfare State better and since they effectively crippled the Labor Government at the polls, therefore (say these "liberals") the GOP should desert "stand-pattism" and practice a policy of "me-tooism", abandon Taft as a leader and follow the Fair Dealish Cabot Lodge. Whatever its factual merits the argument can cut both ways. If the Tories achieved unexpected success by their "me-tooism", the Labor Government lost real power by practicing "me-tooism". Such, at least, is the complaint of its Left Wing group headed by the fiery Aneurin Bevan, which wanted an all-out, rootin' tootin', avowedly Socialist campaign, calling for bigger and better nationalization of industries and stronger planning and controls. Bevan and his Left Wingers (who aren't afraid of calling themselves "Socialists") are very disgruntled and blame Attlee and the Right Wing for a soft campaign, for "me-tooism" towards capitalism. Any stand-pat Republican locked in argument with a "liberal" should put this up to his crypto-Socialist opponent, and watch his gyrations.

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INTERNATIONAL BOONDOGGLE: That Federal bureaus tend to multiply is a phenomenon familiar to all. The same thing is now going on with international organizations in which the United States participates, and a report just brought in by the Senate Committee on Expenditures in the Executive Departments gives a resumé of this luxuriant development. During the fiscal year ending June 30, 1949, the United States participated in the operations of 47 international bodies and managed to spend more than $144 million in the process. (This compares with an outlay of $835,000 on similar enterprises in 1939.) In spending last year's international kaffee klatsch money, United States delegates attended 258 conferences involving 6,000 meetings in such centers as Geneva, Paris, London, Montreal, Shanghai and other places throughout the world. Such bureaus as the American International Union for the Protection of Childhood and the International Bureau for the Protection of Industrial Property (what price dismantling?) flourished, and others no doubt are now in the germinating stages. True, not all the proposed bodies for global discussion come to life. Last year, for example, there died aborning such groups as an international commission on "high dams", an international organization to issue identity cards for foreign correspondents, an international "court of honor" to deal with cases involving journalists and conservation commissions of one sort or another.

But a new fiscal year is with us and new efforts will be forthcoming. The Senate Committee takes a dim view of all this. After noting that the United States paid 47 per cent of the expenditures of the U.N. and its agencies during the past year, the Committee observes dismally, and without much hopeful conviction, that "the time has come when very careful consideration must be given to any increased participation by the United States in additional international organizations outside of the United Nations and the Inter-American systems, whether they be already in existence or merely proposed. . . . The subcommittee is of the opinion that the United States can no longer afford to sit by and await the advent of improved economic conditions in the other nations of the world before seeking to reduce international organization expenditures."

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CONTROL OF LEISURE: An almost pathological obsession on the part of the Federal Security Agency to extend the area of its control has often received notice. The Agency already administers old age benefits and relief and numerous other cash charities of a sort that extend its influence to the most distant village. It controls the Federal public health system, and has ambitions to be the almoner and con-

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troller of education throughout the country. As everybody knows, the FSA has been working hard for 10 years to get control of the practice of medicine. But it wants to do even more. It wants to control recreation!

Bills were introduced into the 79th and 80th Congresses to bring this about, which failed to pass, yet the Agency is not discouraged. There is now pending before the Senate a bill, favorably reported by the Committee on Labor and Public Welfare, that authorizes the Federal Security Administrator "to provide . . . guidance in the development of wholesome and adequate recreation programs". Senate Report No. 1105 says about this proposition: "Human values and the importance of seeing that constructive use is made of the some 600 billion hours of leisure which the populace of these United States enjoy each year away from their work, is indeed no small undertaking. . . . Your committee feels that the services to be provided under this bill will contribute in a large way to the general welfare of the country." No one can say that we haven't learned anything from the Nazis and the Soviets.

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WITHHOLDING TAXES: Mr. James F. Byrnes in an interesting article in Collier's (March 4) writes of a certain problem with which the GOP, in its 80th Congress, stupidly failed to grapple. He makes the point in his piece ("Crisis Government Will Ruin Us") that since the war is over, the war emergency system of withholding taxes should be dropped. "The system", he reminds us, "was established during the war on the theory that workers were constantly moving from one place to another and it would be difficult to check their returns." Like Vivien Kellems, Byrnes has recognized the fact that millions do not realize they are paying taxes, because the taxes are withheld from their pay envelopes. "If, like others, the worker had to pay quarterly installments out of the money he had already taken home, I predict it would result in reducing appropriations by several billions of dollars."

Byrnes also suggests: "In the meantime, an employer, who is not now doing so, can render a real service. Let him have printed and placed in every worker's pay envelope a slip stating: 'The amount of your pay is _____. I have been forced by the Government to deduct from your pay for income taxes _____ and for Social Security taxes.' When the worker's wife gets that slip she will think of many things she could have purchased with the amount deducted, and the chances are she will think of writing her Congressman about government expenditures."

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RUBLE: There may be more than meets the eye in the Soviet Government's announced decision to put the ruble "on the gold basis". Swiss observers who know a great deal about monetary matters warn us that the decision may be of much greater world importance than the press here recognizes. American newspapers have treated the Russian move as "a political gesture"; or as propaganda for "home consumption"; or for binding closer the satellites' economy to Moscow; or, as brilliantly set forth in the Wall Street Journal editorial (March 2) as an ironic shift by the master Marxians away from their traditional antipathy to that capitalistic institution, the gold standard. All that may well be. But our Swiss friends wonder if the move may turn out to be something of greater magnitude.

It is pointed out that the Soviet Union must actually hold extremely large stocks of gold. For many years, Russia has ranked high among gold producers; next to the Union of South Africa. Very little of this gold has left Russia. If the surmises of our informants are correct, one of these days the Soviet Union may move in an attempt to threaten the majestic world position of the American dollar. At least, we are warned, the U.S. should be wary lest Moscow deal some counter blows to the West in the monetary theater of the cold war.

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Book Events

The Decline and Fall of British Capitalism, by Keith Hutchison. New York: Charles Scribner's Sons. $3.50. Reviewed by J. M. Lalley.

Mr. Hutchison's history proceeds from the premise that the fall of British capitalism is even now an accomplished fact. His book was in press before the recent general elections which returned the Labor Government by a minority of the popular vote and gave it a parliamentary margin so frail that it seems incapable of enduring the first serious test of power. However, it is Mr. Hutchison's conclusion that the Conservatives, even if ultimately victorious, can do nothing to alter the socialistic character of the British economy. The conclusion is plausible enough, but it leaves unanswered the larger question, raised by Professor Jewkes and others, whether the teleological evolution of the Socialist pattern must not lead to a universal enslavement under the Police State. Our author considers such a question unworthy of either argument or notice, since he is of the Leftist persuasion, a former collaborator of Mr. Clement Attlee, and now an associate editor of the New York Nation. But this does not greatly impair the objective merits of his book.

The heyday of British capitalism was of course in the 30 years that followed the repeal of the Corn Laws in 1846. The last restraint upon the power of British industrialism, and the last impediment to those laws of nature, which left to themselves would produce the greatest good of the greatest number, had been removed. British manufactures enjoyed a virtual monopoly in the world markets, and the doctrines of the Manchester economists had almost the authority of revelation. The first symptoms of decline, and the first deep doubts of the infallibility of classical economics, came with the prolonged depression of the late 1870s and early 1880s, when the industrial power of England was challenged by that of Germany and that of the United States. The decline was accelerated by what is sometimes called the second industrial revolution, which gradually made apparent the technological obsolescence and wasteful methods of British production. The effort to find new markets led to further adventures in colonial imperialism, notably in Africa. The philosophic structure of Victorian capitalism was being subjected to increasing attack, in the moral and aesthetic sphere by Ruskin and Morris and their followers, and on the economic and political side by various new doctrines, including those of Karl Marx. The industrialists, with some exceptions like the Lancashire textile manufacturers, abandoned the gospel of free trade to cry for protection of the imperial markets. The rise of corporate industry had further widened the gulf between the owning and working classes, and the growth of chronic unemployment increased the proportion of Englishmen whose lives were spent beside the abyss of destitution, and served to emphasize the ferocious character of the English poor laws. Meanwhile, the ultimate center of political power had been shifted to the workers by democratic suffrage and the increase of urban constituencies under the successive reform acts.

It was in this climate that the germinal ideas of Socialism began to take root in Great Britain and in which the lines of the class warfare that reached its period of greatest intensity in the earlier years of the Twentieth Century were gradually drawn. Governments which by their composition were identified with the capitalistic interests were nevertheless impelled by the necessity of popular support to move by increasing steps in the direction of what is now called the Welfare State. In the end the dilemma was too much for the Liberal Party, which as Mr. Hutchison says, had achieved its historic mission by clearing away the constitutional obstacles to Socialism, beginning with mercantilism and ending with the House of Lords. Thus, without mentioning it, Mr. Hutchison seems to sustain the notion, expressed by Lord Acton in 1881, that the path to Socialism had been opened by the conjunction of democracy and the scriptures of Adam Smith.

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